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August 22, 2006

**VIA U.S. FIRST CLASS MAIL**

The Honorable Charles L.A. Terreni  
Chief Clerk/Administrator  
**Public Service Commission of South Carolina**  
101 Executive Center Drive  
Columbia, South Carolina 29210

RE: Application of United Utility Companies, Inc. for adjustment of rates and charges and modifications to certain terms and conditions for the provision of water and sewer service  
Docket No. 2006-107-WS

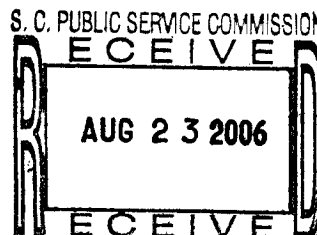
Dear Mr. Terreni:

I am writing to you in reference to the public hearings held by the Commission in the above referenced matter. As you are aware, at the commencement of each hearing, United Utility Companies, Inc. ("UUC") made a continuing objection to testimony consisting of unsubstantiated complaints regarding customer service, quality of service, or customer relations issues. The basis of this objection was that the receipt and reliance on such testimony would deny the applicant due process of law, permits complaint procedures established under law and Commission Regulations to be circumvented and is not a proper basis to determine just and reasonable rates. In responding to the objection, the Office of Regulatory Staff ("ORS") requested UUC to submit a letter to the Commission setting forth the specific portions of the testimony to which the Company objects, the reason for the company's objection, and the identity of the speaker.

In accordance with ORS's request, UUC herein sets forth the portions of the testimony to which it objects. For the public hearing held in Spartanburg on July 17, 2006, UUC objects to the following:

Witness Joe Metts

Page 13, lines 13-18



Continued . . .

Witness Tammy Sell

Page 20, line 19 through Page 21, line 22  
Page 22, line 6 through Page 26, line 21

Witness Beverly Wade

Page 35, lines 11-16  
Page 35, line 24 through Page 36, line 2  
Page 36, line 15 through line 3  
Page 38, lines 12-20  
Page 39, line 7 through Page 40, line 3

Witness Paul Houle

Page 41, line 15 through Page 42, line 19

Witness Ponease Gosnell

Page 44, line 23 through Page 46, line 19  
Page 47, lines 6-20  
Page 48, line 14 through Page 49, line 11.  
Page 50, lines 3-19

Witness Margaret Wilson

Page 52, lines 1-10

Witness Scott Bagwell

Page 56, lines 4-10

The Company also objects to the following Hearing Exhibits filed with the Commission at the Spartanburg hearing purporting to support or corroborate the portions of testimony to which UUC objects.

Hearing Exhibit #1 sponsored by Witness Stephen Johnson

Hearing Exhibit #2 sponsored by Witness Mary Jane Myers

Hearing Exhibit #3 sponsored by Witness Linda Stevenson

Hearing Exhibit #4 sponsored by Witness Alina Howington

Continued . . .

Hearing Exhibit #5 sponsored by Witness David Wolfe

For the public hearing held in Anderson on July 18, 2006, UUC objects to the following testimony:

Witness Charles D. Parker, Jr.

Page 12, lines 11-19

Witness Annette Simmons

Page 15, lines 1-3.

Page 15, line 21 through Page 16, line 12

Witness James Vickery

Page 17, line 17 through Page 21, line 13

Page 22, lines 1-13.

For the public hearing held in Gaffney on July 24, 2006, UUC objects to the following testimony:

Witness Brenda Reynolds

Page 8, lines 14-15

Page 9, line 9 through Page 10, line 3.

Witness Ivy Morris

Page 12, lines 9-12

Witness Cheryl Wright

Page 13, lines 13-15

Page 13, lines 21-22

Page 14, lines 11-24

Page 15, line 4 through Page 19, line 17

Witness Andrew Wiseman

Page 49, line 15 through Page 50, line 9

Page 51, line 14 through Page 52, line 20

Page 53, lines 4-14

Page 53, lines 19-21

Continued . . .

For the public hearing held in Greenville on August 7, 2006, UUC objects to the following testimony:

Witness James Waddell

Page 18, lines 9-12

Witness Sara Ford

Page 19, lines 7-10

Page 19, lines 16-17

Page 20, lines 13-15

Witness Robert Green

Page 21, lines 13-22

Page 23, line 15 through Page 24, line 6

Witness Rick Leonardi

Page 24, lines 16-25

Page 25, line 9 through Page 26, line 7

Page 26, line 24 through Page 27, line 3

Page 27, line 24 through Page 28, line 7

Page 28, line 13 through Page 29 line 13

Page 30, lines 4-10

Witness Rica Rose Conover

Page 33, lines 10-14

Witness Jerry Tant

Page 34, lines 21-25

Witness Tigner Culpepper

Page 36, line 12 through Page 37, line 4

Continued . . .

Witness Virginia Grey

Page 40, line 8 through Page 41, line 3  
Page 41, lines 19-25  
Page 42, line 7 through Page 43, line 3  
Page 43, lines 10-25  
Page 44, lines 5-12

Witness Linda Stazer

Page 46, line 15 through Page 49, line 22

Witness Robert Keebler

Page 51, lines 5-8

Witness Jim Warren

Page 52, line 23 through Page 53, line 18

Witness Rodney Price

Page 55, line 7 through Page 56, line 5

Witness Kathy [inaudible]

Page 57, lines 2-20  
Page 58, line 9 through Page 59, line 11

Witness Ruth Wyatt

Page 59, line 25 through Page 60, line 15

For the public hearing held in Union on August 8, 2006, UUC objects to the following testimony:

Witness Darrell Waters

Page 11, lines 9-24  
Page 12, line 12 through Page 13, line 2  
Page 13, line 9 through Page 16, line 6

Witness Willard Oldaker

Page 21, lines 3-9

Continued . . .

Witness Dorothy Rodgers

Page 24, lines 2-5

Witness Linda Hodge

Page 25, lines 12-14

Witness Gene Matthews

Page 26, line 22 through Page 27, line 23

Witness Ginger Winter

Page 28, lines 21-24

Page 29, lines 10-20

Witness Freddie Gault

Page 31, line 22 through Page 32, line 2

Witness Ronald Holden

Page 33, lines 3-19

The objection to the above referenced portions of testimony is generally based upon UUC's assertion that these statements relate to unsubstantiated complaints. In most or all cases, the customers' testimony does not reflect the timeframe of the issues complained of, whether the customers complained to the company, or whether the customers filed a formal complaint with the Commission. Additionally, UUC has approximately 95 water customers and 1700 wastewater customers. Of these, only 55 customers, or 3.24%, testified before the Commission. This level of customer complaints is de minimis and immaterial and is, therefore, not an appropriate reflection of the Company or its services.

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The Honorable Charles L.A. Terreni

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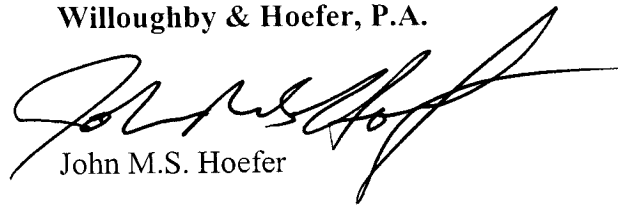
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If you need any additional information, please do not hesitate to contact me. With best regards, I am,

Sincerely,

**Willoughby & Hoefer, P.A.**



John M.S. Hoefer

JMSH/amw

cc: Shannon B. Hudson, Esquire  
Nanette S. Edwards, Esquire  
Jacqueline H. Patterson, Esquire  
George K. Lyall, Esquire  
Duke K. McCall, Jr., Esquire  
Mr. Bruce T. Haas  
Mr. Steven M. Lubertozzi  
Ms. Lena Sunardio